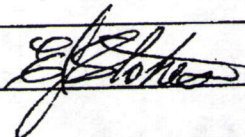


**AMERICAN HERITAGE  
REAL ESTATE, INC.****52 SOUTH 350 EAST  
NORTH SALT LAKE, UT 84054****Phone: (801) 936-0299  
Fax: (801) 936-2071*****Fax Cover Sheet***Please deliver the following to: STEVEN ALDER - 359-Company: DIVISION OF OIL & GAS - State of UtahFrom: E. J. StokesDate: 8/27/04 Time: 3:50 PM.Pages sent (including cover page): 2

Regarding: DAN POWELL & EMERY INDUSTRIAL  
Please be advised that MR. Powell etc.  
is no longer associated with the  
mining of this property. I will  
let you know of further developments.  
Thanks for your help!



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P:801.363.5600

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170 SOUTH MAIN, SUITE 350, SALT LAKE CITY, UT 84101

Paxton R. Guymon, Esq.  
[guymon@mmlegal.com](mailto:guymon@mmlegal.com)

August 27, 2004

*Via First Class Mail*

Mr. Sidney B. Unrau, Esq.  
3610 N. University, #375  
Provo, Utah 84604

**Re: Surrender of Possession; Terminated Lease**

Dear Mr. Unrau:

Please be advised that E.J. Stokes has determined not to pursue any negotiations for a new lease agreement with your clients, Mr. Dan Powell and Emery Industrial Resources.

Through communications with the Utah Division of Oil and Gas, Mr. Stokes has learned that Mr. Powell incorrectly represented that he had a valid lease in place for the subject property, even though Mr. Powell had received my letter, dated July 27, 2004, informing him of the termination and defaults of the lease.

In addition, your clients have failed to complete the required reclamation work for the property, as identified in my letter of July 27, 2004, and have also failed to post the required bond. Further, your clients failed to make timely and accurate payments under the old lease.

Please instruct your clients to remove all equipment and other items they may have on the subject property. Your clients may not enter upon the property for any purpose at any time hereafter without prior written consent from Mr. Stokes. If your clients desire to do any further screening work and sales, they may only do so for purposes of finishing the reclamation work of the property, and only with the prior consent of Mr. Stokes and the Division of Oil and Gas.

Sincerely yours,

MILLER MAGLEBY & GUYMON, P.C.

Paxton R. Guymon

cc: E. J. Stokes